



DEPARTMENT OF THE AIR FORCE

WASHINGTON, DC

OFFICE OF THE ASSISTANT SECRETARY

Oaca *OK*
Bo *HB*
Kim *HB*
Rex *HB*

23 MAY 1997

CONTRACTING POLICY MEMO 97-C-07

MEMORANDUM FOR ALMAJCOM-FOA-DRU (CONTRACTING)

FROM: SAF/AQC

1060 Air Force Pentagon
Washington DC 20330-1060

SUBJECT: Internet Use of International Merchant Purchase Authorization Card (IMPAC)

Concerns have been raised about the use of IMPAC to purchase commercial items over the Internet. We believe that the safeguards described below adequately protect the Government when using the purchase card to shop over the Internet. Electronic purchasing with credit cards is growing rapidly as a common business practice. We need to use the Internet as an additional tool to expand the use of IMPAC and thereby further streamline the way our cardholders obtain the items they are authorized to buy to support their organizations.

The GSA Contract with First Bank states that the government shall not be liable for any unauthorized use of an IMPAC. Therefore, if a card number is compromised due to transmission over the Internet, any consequent fraudulent use would not cost the government, other than the indirect cost of time challenging the charge and resolving any dispute. "Unauthorized use" includes the use of a credit card number by a person, other than the cardholder, who does not have actual, implied or apparent authority for such use and from which the cardholder receives no benefit.

Since the Air Force is protected against unauthorized use of the purchase card, we do not want to impose unnecessary restrictions on the use of IMPAC over the Internet. When dealing with Internet vendors, we suggest cardholders take practical precautions in protecting credit card numbers. We recommend cardholders use Web browsers that include inherent secure transaction features and deal only with websites using secure transaction safeguards. Both the current Netscape and Microsoft browsers clearly depict when transactions are being conducted securely. Netscape features a yellow key icon in the lower left of the screen. Normally, the key is "broken"; however when in secure mode, the key becomes solid. Microsoft features a yellow padlock icon in the lower right corner of the screen when in secure mode. In all cases, the URL or Internet address of a secure site will have "https://" as a prefix; where the "s" indicates "secure".

Also remind cardholders that they must be prompt (within the 60 day dispute period) in correcting discrepancies when unauthorized purchases show up on their bills. We are in a "pay now; audit later" mode in order to avoid late payment penalties and finance interest charges.

This policy is effective for one year from the date of issuance or until incorporated into the Air Force IMPAC Procedures, whichever is earlier. My point of contact is Lt Col Earl McNease, SAF/AQCO, E-mail mcneasej@af.pentagon.mil, DSN 224-1732, (703) 614-1732.

/signed/

TIMOTHY P. MALISHENKO,
Brig Gen, USAF
Deputy Assistant Secretary
(Contracting)
Assistant Secretary
(Acquisition)